

protects rural customers: This legislation explicitly preserves the universal service fund which subsidizes telephone services to rural areas. *Id.*, at S 703.

Ms. Snowe:

Mr. President, this conference report will bring unprecedented competition and development to the telecommunications industry. And while competition can bring an array of improved services at a lower cost, we must ensure that competition ultimately achieves that goal for all Americans, in both urban and rural areas.

I am, therefore, particularly pleased that the conference report before us recognizes that strong universal service provisions are a necessary and important part of telecommunications reform.

Residents of rural areas should bear no more cost for essential telecommunications services than residents of densely populated areas. Just as extending basic telephone service and electrification to rural areas rose to the top of our national agenda in the 1930's and 1940's, so telecommunications must be a top priority today. No American citizen should be left out of the communications revolution.

Indeed, the concept of universal service was established in the 1934 Communication Act, to establish widely available basic telephone service at reasonable rates. The rationale for this policy is that telephone service is essential to link Americans together, so that all Americans can communicate with each other on approximately equal footing. It was an important economic development tool, as well.

Everyone in our country must be able to engage in commerce using the tools and technologies necessary to interact with buyers and sellers, and be able to be informed and to inform others of emergency situations and to access emergency services.

....

Unfortunately, there is a widening gap between the high expectations of an increasingly technologically driven society and the inability of most schools -- particularly rural schools -- to prepare students adequately for the high-technology future. Almost 90 percent of kindergarten through 12th grade classrooms lack even basic access to telephone service.

Telecommunications can help us provide a world class education to children across America. If we want young people to actively use the technology of the future so it becomes second nature to them, then we must ensure that schools are part of the national information infrastructure.

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Rural schools and libraries usually pay more for access to information services than schools and libraries in urban areas because the information service providers do not have access points in local calling regions, meaning that rural schools and libraries must make a long distance telephone call to access the Internet and other information services. It is imperative that access the information superhighway be affordable, because America's schools and public libraries operate on very slim, inflexible budgets.

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Mr. President, I believe that the Snowe-Rockefeller provision is fundamentally important to assuring that we do not end up with a two tiered telecommunications system in America.

The Snowe-Rockefeller provision is fundamental to assuring that all areas in America have access to the essential telecommunications services of the future. And it is fundamental to ensuring that this legislation provides a solid foundation for the future. *Id.*, at S 708-09

**Mr. Daschle:**

While the legislation focuses on competition and deregulation, the conference report contains essential rural safeguards in the form of universal service provisions that will benefit our rural communities and greatly increase their ability to preserve in the 21st century.

There is little doubt that our urban areas can and will sustain the enormous expansion of telecommunications services in the years ahead. We must make certain that our rural areas are not left behind as services expand and new products come on line. In the long run, universal service at high standards nationwide is in the best interests of the entire economy.

I believe that telecommunications reform is essential in preserving the economic vitality of rural America and am optimistic that the affordable accessibility to these new telecommunications services will be the harbinger for a new renaissance among the main street economies in communities throughout rural America.

Already, many in my home State of South Dakota are beginning to realize the importance and value of telecommunications services. Many small, rural medical clinics and hospitals are linking together with larger, more urban hospitals via telemedicine to provide their citizens with a higher quality of care. Children in schools that are hundreds of miles from the nearest population center can now have access to the world's greatest libraries at their fingertips. An increasing number of South Dakota agricultural producers are determining weather forecasts and market reports with a simple keystroke. And all across main street South Dakota, small businesses are reducing their overhead via networking services, reducing their paper work through electronic mail, and saving thousands of dollars a year in travel expenses through their use of teleconferencing.

And all of this is just the beginning. As these technologies continue to develop, the playing field for economic development will begin to level. South Dakota is already enjoying the benefits of advanced telecommunications and they can only stand to benefit from further telecommunications reform. *Id.*, at S 709.

**Mr. Kerry:**

I am also pleased the conference report includes three amendments which I sponsored.

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The third amendment will make sure that as we build the information highway, the builders do not bypass poor rural or urban communities. When interstate highways were built through cities across our Nation, often times they went directly through poor neighborhoods. Construction of the technology interstate system must not be allowed to detour around children and families in the same or similar areas who already face enormous challenges. My amendment is designed to assure that the telecommunications network will reach every neighborhood, offering access to those who need it most for a decent education, to upgrade their job skills or to connect them to medical help they need. *Id.*, at S 710.

**Mr. Harkin:**

However, we must also recognize that telecommunications competition is limited in some areas, especially in many rural areas. The high cost of providing telecommunications to rural areas is prohibitive for most telecommunications service providers without some incentive. The

1934 communications bill understood this and adopted a principle called universal service, which was thankfully maintained and updated in S. 652.

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Without universal service protections, advance telecommunications will blow right by rural America creating a society of information haves and have nots. S.652 recognizes that the definition of universal service is evolving as the technology changes. S. 652 requires the FCC to establish a Federal-State joint board to recommend rules to reform the universal service system. The Joint Board will base its policies on principles which understands that access to quality, advanced telecommunications services should be provided to all Americans at a reasonable cost.

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The information super-highway must be available and affordable to all Americans through schools and libraries. *Id.*, at S 713.

**Mr. Exon:**

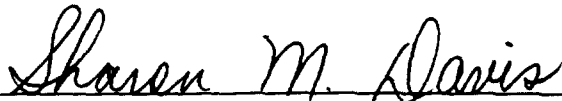
Mr. President, this legislation also represents a major victory for rural America. The conference report gives approval to the so-called farm-team provisions. These provisions assure that rural citizens enjoy telephone technologies and prices which are comparable to those in urban areas. The provisions also allow rural phone companies to pool resources with each other and with cable companies to share new technologies and to give states the power to prevent unfair cherry-picking competition in rural markets.

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The provisions also give the Federal and State regulators flexibility in dealing with small and mid-sized phone companies. Too often, one-sized-fits-all regulation needlessly pushes up costs for Nebraska's home town phone companies. *Id.*, at S 718.

## CERTIFICATE OF SERVICE

I hereby certify on behalf of The State of Alaska that a true and correct copy of the foregoing "Comments of the State of Alaska" were served by first class U.S. mail, postage prepaid, this 12th day of April, 1996, upon the counsel of record as indicated on the attached service list.

  
Sharon M. Davis